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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 961

FLYNN & EMRICH COMPANY,
Petitioner,

vs.

HENRY B. GREENWOOD AND GREENWOOD ENGINEERING COMPANY, INC.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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Flynn & Emrich Company prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Fourth Circuit entered in the above entitled case on March 11, 1957.

CITATIONS TO OPINIONS BELOW

The opinion in the District Court has not been printed in the official reports. It appears at App. 119.* The judgment

* Note: All citations to an appendix refer to Appellant's appendix unless otherwise indicated. Appellees' appendix adds no material relevant to the present petition.

of the District Court appears at App. 138. The opinion in the Court of Appeals appears in ..... F. 2d ..... It is also printed in an appendix hereto.

JURISDICTION

The judgment of the Circuit Court of Appeals was entered on March 11, 1957. The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254(1).

QUESTION PRESENTED

Where the District Court has directed the entry of a final judgment upon a counterclaim and an appeal to the Court of Appeals is taken from that judgment in advance of the trial of the original claim, should the appeal be dismissed as premature merely because the counterclaim raises issues which could defeat the original claim?

RULE AND STATUTE INVOLVED

The appeal involves Rule 54(b) of the Rules of Civil Procedure and 28 U.S.C. Section 1291.

Rule 54(b) reads as follows:

> "(b) *Judgment Upon Multiple Claims.* When more than one claim for relief is presented in an action, whether as a claim, counterclaim, cross-claim, or third-party claim, the court may direct the entry of a final judgment upon one or more but less than all of the claims only upon an express determination that there is no just reason for delay and upon an express direction for the entry of judgment. In the absence of such determination and direction, any order or other form of decision, however designated, which adjudicates less than all the claims shall not terminate the action as to any of the claims, and the order or other form of decision is subject to revision at any time before the entry of judgment adjudicating all the claims."

28 U.S.C. Section 1291 reads as follows:

> "The courts of appeals shall have jurisdiction of appeals from all final decisions of the district courts of the United States, the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, except where a direct review may be had in the Supreme Court."

STATEMENT

Henry B. Greenwood filed suit against Flynn & Emrich Company (herein referred to as "F & E") alleging infringement of two patents on devices which are parts of a machine used in the manufacture of paper boxes, known as a printer-slotter. Jurisdiction of the District Court was based on 28 U.S.C. Section 1338. F & E filed its answer consisting of the usual defenses of non-infringement and invalidity. In addition, F & E filed a counter-claim setting up a contract (App. 95) between itself and Greenwood Engineering Company, Inc., a family corporation of which Greenwood was President. Under the contract, F & E agreed to manufacture and sell printer-slotters and Greenwood Engineering Company agreed to furnish (through Henry B. Greenwood) all designing and engineering services, and to aid in sales. This contract was terminated by Greenwood Engineering Company, Inc., effective April 11, 1954 (App. 104). Paragraph (32) of the answer sets up the theory of the counterclaim. It reads:

> "(32) By reason of the matters set out hereinabove, the Defendant is entitled to an order of this Court requiring the Plaintiff (Henry B. Greenwood) and Greenwood Engineering Co., Inc., to assign these patents to it or, *in the alternative, to an order declaring that Defendant has an irrevocable license or shop right to use*

each of the inventions without interference by the Plaintiff or Greenwood Engineering Co., Inc."* (App. 13, Emphasis supplied.)

The prayer which is relevant to this appeal reads:

"5. That this Court [the District Court] grant and enter a decree declaring in Defendant an irrevocable license or shop right permitting Defendant to use the inventions described and claimed in said patents without any interference whatsoever by or from the Plaintiff, his heirs or assigns, or Greenwood Engineering Co., Inc., its heirs or assigns, whether directed against the Defendant or its customers" (App. 14).

The District Court had jurisdiction to hear and try the counterclaim under the provisions of 28 U.S.C. Section 2201 (relating to declaratory judgments); and Rule 13(a) of the Rules of Civil Procedure (relating to compulsory counterclaims).

At the request of F & E, and with the consent of Greenwood, the trial on the issues raised by the counterclaim was advanced. After a full hearing and extended evidence, the Court entered a judgment (App. 138) deciding that F & E had had the right to manufacture and sell eighteen printer-slotters containing one or both of the patented devices; but denying all other relief requested in the counterclaim (See paragraphs (a), (b) and (c) of the judgment). The judgment expressly recited that the Court had determined that there was no just reason for delay and had ordered the entry of a separate final judgment upon the counterclaim

---

* Note: There having been some question as to whether Greenwood had assigned his patent to the Greenwood Engineering Company, Inc., that company was joined with Greenwood as a cross-defendant. However, no assignment to Greenwood Engineering Company, Inc. was proved. Claims for an assignment of the patents to F & E and for a declaration that F & E had equitable title to the patents were abandoned prior to the appeal.

without waiting for trial of the issues raised by the original action. The judgment also contained an adjudication—

> "(d) That this judgment is a final judgment and determination of the said counterclaim."

From this judgment, F & E took an appeal to the Court of Appeals. No cross-appeal was entered. The sole question raised by the appeal from the District Court is whether F & E was entitled to a declaratory decree that it had acquired an irrevocable license to use the patented mechanisms by implication or by estoppel.

No motion to dismiss the appeal was filed; and all parties had assumed that the appeal was properly before the Court. At the hearing in Charlotte, North Carolina, for the first time the Court of Appeals announced that of its own motion it was raising the question of jurisdiction. Later, on March 11, 1957, it entered the above mentioned judgment, dismissing the appeal as premature.

THE OPINION OF THE COURT OF APPEALS

The opinion filed by the Court of Appeals is printed in an appendix hereto. It states the question decided by the Court as follows:

> "The question is whether the District Court's decision on the single issue of estoppel was vested with the finality necessary to be appealable under 28 U.S.C., Sec. 1291, or whether the matter of estoppel constituted only an affirmative defense to a single claim for relief not justifying an appeal until the other defenses are heard and determined."

Later in its opinion the Court gives the basis of its decision as follows:

> "In this action, however, if we were to hear this appeal, reverse the District Judge, and hold that Greenwood

> is estopped from bringing his action, that would be decisive of the entire litigation — which indicates that this 'counterclaim' of estoppel is actually only a defense." (Note Court's use of quotes around "counterclaim".)

And again:

> "There is really only one claim for relief here, and that is patent infringement. Regardless of what it is called in the pleadings, the element of estoppel, if it exists, is asserted as a matter of defense only."

The last two sentences quoted above require explanation. They are obviously used by the Court as an explanation of its conclusion of law that however stated or asserted an appeal raising the present issues cannot be brought to the Court of Appeals ahead of the original action. It would, of course, have been inaccurate for the Court to state as a fact that the counterclaim is merely *asserted* as a defense. Prayer 5 speaks for itself, and lest we be misinterpreted, we repeat and assert that the sole issue arising from the appeal is F & E's claim to an irrevocable license to use the patents arising by implication or estoppel. This issue was correctly raised by counterclaim (see paragraph 2 below). The sole point of law on which a decision by this Court is requested can be restated as follows:

> Must a separate appeal from a judgment on a counterclaim for affirmative relief be dismissed on the ground that the counterclaim is actually "only an affirmative defense" because the relief requested will, among other things, bar the original claim?

REASONS FOR GRANTING THE WRIT

1. Respondent submits that the judgment is in direct conflict with Rule 54(b) as recently interpreted by this Court in—

> Cold Metal Process Co. v. United Engineering & Foundry Co., Inc., 351 U.S. 445, 76 S. Ct. 904, 100 L. Ed. 1311;
>
> Sears Roebuck & Co. v. Mackey, 351 U.S. 427, 76 S. Ct. 895, 100 L. Ed. 1297.

The foregoing two decisions are the last word on the subject. However the decision is also in conflict with the decisions in at least two circuits where the court assumed jurisdiction of similar appeals without comment.

> National Waste Co. v. Spring Packing Corp. (7th Cir.), 200 F. 2d 14, cert. den. 345 U.S. 909, 73 S. Ct. 649, 97 L. Ed. 1344;
>
> Lukens Steel Co. v. American Locomotive Co. (2nd Cir.), 197 F. 2d 939.

It also is in conflict with the decision of this Court in a closely similar appeal, where this Court assumed jurisdiction without comment.

> Sola Electric Co. v. Jefferson Electric Co., 317 U.S. 173, 63 S. Ct. 172, 87 L. Ed. 165.

2. The counterclaim is not merely an affirmative defense. Paragraph 5 of the prayers for relief (App. 14) specifically requests affirmative relief in the form of a declaratory judgment that F & E is entitled to an irrevocable license to the patents. The mere fact that such a counterclaim will defeat the original action does not convert it into a mere affirmative defense. Rule 13(c) of the Rules of Civil Procedure specifically provides to the contrary that—

> "A counterclaim may or may not diminish or defeat the recovery sought by the opposing party."

The same rule by sub-paragraph (i) specifically contemplates that the Court may advance a counterclaim for trial, and may give final judgment on such a counterclaim. Furthermore, this Court has flatly held that a counterclaim for a declaratory judgment, even though it requests relief which would bar the original suit, is proper.

> Altvater Co. v. Freeman, 319 U.S. 359, 363, 63 S. Ct. 1115, 87 L. Ed. 1450.

3. Prior to the Cold Metal and Sears Roebuck cases, there had ben a mass of opinions by Courts of Appeal holding that Rule 54(b) did not mean what it plainly said. A leading writer has summed up the result very well, from the point of view of litigants:

> "And finally, the practice of the appellate courts in raising lack of their own jurisdiction on their own motion — a merry practice for the courts, a dismal one for the litigants — continues with unabated vigor. If anything, the Amended Rule has only added zest to the merry practice."
>
> 6 Moore, Federal Practice (2d Ed.) p. 212.

The Cold Metal and Sears Roebuck cases were designed to end this situation, and except in cases where there had been an abuse of discretion, to allow the parties to rely upon the decision of the District Court declaring the judgment final for purposes of an appeal. It is submitted that the Cold Metal case was expressly intended to eliminate all question that a properly filed counterclaim was an appealable claim within Rule 54(b). The Court summed up the matter as follows:

> "The amended rule, in contrast to the rule in its original form, treats counterclaims, whether compulsory or permissive, like other multiple claims."
>
> Cold Metal Process Co. v. United Engineering & Foundry Co., 351 U.S. 445, 452.

And see:

Federal Rule 54(b), The Multiple Claims Requirement, 43 Va. L.R. 229, 243.

4. It is earnestly submitted that the District Court did not abuse its discretion in determining that there was no just reason for delay in entering final judgment. The original proceeding being a patent case can involve costly preparation and a long and tedious trial. The issues arising out of the counterclaim present a relatively simple issue of fact, i.e., whether F & E has acquired by estoppel or implication an irrevocable but non-exclusive license to use the patents in machines hereafter manufactured and sold. Time is of the essence to F & E, which is at present completely stymied. A prompt determination of the issues raised by the appeal is desired by everyone in the case; and the dismissal of the appeal merely frustrates that objective. Furthermore, a refusal to hear the appeal will probably not cut one page out of the record, nor one page from the briefs, which must be read by the Appellate Court at the time of an ultimate review. A decision either way on the original action will in all probability not avoid the necessity of a full review by the Court of Appeals of the issues raised by the present appeal. Furthermore, the facts giving rise to the claimed license are entirely separate and distinct from the facts relating to the mechanical aspects and validity of the patent. It is hard to see how the Court can in anywise be assisted in a decision of one by referring to the other. On the other hand, a favorable decision on the counterclaim will terminate the entire action. In short, it would appear:

"that this is the very kind of case for which Amended Rule 54(b) was designed".

Cold Metal Process Co. v. United Engineering & Foundry Co., 351 U.S. 445, 450-1.

CONCLUSION

We respectfully submit that the Court of Appeals erred in its judgment; and that its error should be corrected now so as to save F & E and other litigants in a similar situation from further hardship and surprise.

Respectfully submitted,

CHARLES G. PAGE,
Attorney for Petitioner.

WHITE, PAGE & LENTZ,
Of Counsel.

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 7346.

Flynn & Emrich Company,
Appellant,

versus

Henry B. Greenwood and Greenwood Engineering Company, Inc.,
Appellees.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND, AT BALTIMORE

(Argued January 21, 1957. Decided March 11, 1957.)

Before PARKER, Chief Judge, SOBELOFF, Circuit Judge, and HARRY E. WATKINS, District Judge.

Charles G. Page (White, Page & Lentz on brief) for Appellant and Harold F. Watson (Watson, Cole, Grindle & Watson; D. Franklin McGinnis and Haven E. Simmons on brief) for Appellees.

HARRY E. WATKINS, District Judge:

This is an action for patent infringement in which the answer sets up the usual defenses of invalidity and denial of infringement. In what is called a "counterclaim", the defendant avers that by reason of estoppel, the plaintiff

can not maintain this action. The District Court heard and decided the question of estoppel in favor of the plaintiff in advance of any hearing on the defenses of infringement and validity. Pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the District Court certified that no just reason existed for delay in entry of final judgment upon the counterclaim, and directed that a separate final judgment should be entered thereon without awaiting the trial of the original action. From the adverse decision on the issue of estoppel the defendant appealed. The question is whether the District Court's decision on the single issue of estoppel was vested with the finality necessary to be appealable under 28 U.S.C., Sec. 1291, or whether the matter of estoppel constituted only an affirmative defense to a single claim for relief not justifying an appeal until the other defenses are heard and determined.

Appellant's original answer includes under the section labeled "counterclaim," the affirmative defense of release, but such defense was later withdrawn. Appellant also included a demand that the patents in question be assigned to it. However, counsel later withdrew this demand as to the "running register" patent, and as to the "skip-feed" device the District Court specifically found that it was developed in substantially final form by February 3, 1952, and held that this precluded any questions of assignment or shop rights as to it. This finding of fact has not been urged as error in this court. This appeal is limited solely to the question of whether Greenwood's conduct with defendant gave rise to estoppel whereby defendant had the right to use the patents. Defendant alleged that title to the patents was held by Greenwood Engineering Company, Inc., which is a corporation owned by Greenwood's family in which Greenwood was the dominant figure.

Upon oral argument of this case, we raised the question of our jurisdiction to entertain this appeal and asked counsel to brief the question. Irrespective of the certification of the District Court under Rule 54(b) as to the finality of its judgment order, and even though the matter of jurisdiction was not raised by the parties, this Court must con-

sider the matter of its jurisdiction to hear this appeal. See *United States Plywood Corp. v. Hudson Lumber Co.*, 1954, 2 Cir., 210 F. 2d 462, 463 where the court said:

> "Some months after the judgment and appeal the judge amended his order by making a finding of no just reason for delay and expressly directing judgment, thus bringing it within the formal requirements for finality specified in amended Fed. Rules Civ. Proc. rule 54(b). Though the parties have not now raised the question, nevertheless we must still determine the appealability of the judgment, * * *"

The jurisdiction of this Court is limited, other than for certain statutory exceptions not here material, by 28 U.S.C. §1291, which states: "The courts of appeals shall have jurisdiction of appeals from all final decisions of the district courts * * *." That rule was restated recently in *Stone v. Wyoming Supreme Court*, 10 Cir., 236 F. 2d 275, 276, in these words:

"Courts of appeals are courts of limited jurisdiction; and save for excepted instances in which it is provided otherwise by statute, they have jurisdiction to review only final decisions of the district courts." (Citations omitted.) It becomes pertinent, therefore, to inquire whether the District Court decision before us is, in fact, a final decision.

It is urged by appellant that the District Court made this a final decision by virtue of Rule 54(b). That rule was amended in 1946 to take effect in 1948, and now reads,

> "(b) JUDGMENT UPON MULTIPLE CLAIMS. When more than one claim for relief is presented in an action, whether as a claim, counterclaim, cross-claim, or third-party claim, the court may direct the entry of a final judgment upon one or more but less than all of the claims only upon an express determination that there is no just reason for delay and upon an express direction for the entry of judgment. In the absence of such determination and direction, any order or other form of decision, however designated, which adjudi-

> cates less than all the claims shall not terminate the action as to any of the claims, and the order or other form of decision is subject to revision at any time before the entry of judgment adjudicating all the claims."

The validity of amended Rule 54(b) was recently upheld by the Supreme Court in *Sears, Roebuck & Co. v. Mackey*, 351 U.S. 427, 76 S. Ct. 895, 100 L. Ed. 1297, and *Cold Metal Process Co. v. United Engineering & Foundry Co.*, 351 U.S. 445, 76 S. Ct. 905, 100 L. Ed. 1315, both cases decided June 11, 1956. The cases turned upon the sole question of appellate jurisdiction and the Supreme Court affirmed the Courts of Appeals for the Seventh and Third Circuits, denying motions to dismiss. The Supreme Court there held that amended Rule 54(b) is not an unauthorized extension of 28 U.S.C. §1291, and does not impair the statutory concept of finality therein embraced.

These two decisions did lay at rest a conflict among the circuits which had been pointed out by Judge Duffy in the lower court decision, (*Mackey v. Sears, Roebuck & Co.*, 7 Cir., 218 F. 2d 295, 297-8) as to whether the District Court's entry of judgment upon a determination that there exists "no just reason for delay" confers jurisdiction automatically and conclusively upon courts of appeals to hear the appeal. The Supreme Court answered that question in the negative, stating, 351 U.S. at page 437:

> "The District Court *cannot*, in the exercise of its discretion, treat as 'final' that which is not 'final' within the meaning of §1291. But the District Court *may*, by the exercise of its discretion in the interest of sound judicial administration, release for appeal final decisions upon one or more, but less than all, claims in multiple claims actions. The timing of such a release is, with good reason, vested by the rule primarily in the discretion of the District Court as the one most likely to be familiar with the case and with any justifiable reasons for delay. With equally good reason, any abuse of that discretion remains reviewable by the Court of Appeals."

The Court further stated, 351 U.S. at page 435, "the amended rule does not apply to a single claim action" and this is abundantly clear from the language of the rule itself, which has a condition precedent written into it,—"When more than one claim for relief is presented in an action * * *." See also *Capital Transit Company v. District of Columbia*, C.A.D.C. 225 F. 2d 38, 40, which states:

> "The quoted Rule, we have said, 'is applicable only in instances in which more than one claim for relief is presented in an action, and in which the claim upon which a final judgment is to be entered under the Rule is itself a claim distinct from the other claim or claims.' Gold Seal Co. v. Weeks, 1954, 93 U.S. App. D.C. 249, 254, 209 F. 2d 802, 807. In other words, notwithstanding Rule 54(b), there cannot be an appeal from an order entered upon a part of an indivisible claim. Leonidakis v. International Telecoin Corp., 2 Cir., 1953, 208 F. 2d 934. There must be 'multiple claims of which at least one has been adjudicated.' Pabellon v. Grace Line, 2 Cir., 1951, 191 F. 2d 169, 174, certiorari denied Coston Supply Co. v. Pabellon, 1951, 342 U.S. 893, 72 S. Ct. 201, 96 L. Ed. 669. The question is thus 'whether the underlying factual bases for recovery state a number of different claims which could have been separately enforced.' Rieser v. Baltimore & Ohio R. R. Co., 2 Cir., 224 F. 2d 198. * * *"

The case of United States Plywood Corp. v. Hudson Lumber Co., supra, a decision from the Second Circuit, is very close in point. There plaintiff sought to recover a sum due under a contract. The answer set up an affirmative defense and a counterclaim for rescission based upon the ground of mistake. The District Court granted summary judgment as to the counterclaim and made the certificate provided by Rule 54(b). The defendant appealed and neither party raised the question of appealability. The appellate court dismissed the appeal, holding that no multiple claims were involved; that Rule 54(b) was inapplicable; and that the counterclaim was merely a defense to a claim on contract not justifying an appeal. To the same effect see 43 Va.

L. Rev. 229 where the multiple claims requirement of Rule 54(b) is discussed. The author cites the case of *Libby-Owens-Ford Glass Co. v. Sylvania Industrial Corp.*, 2 Cir., 154 F. 2d 814, certiorari denied 328 U.S. 859, 66 S. Ct. 1353, 90 L. Ed. 1630, where defendant in a patent infringement suit asserted an unclean hands defense that plaintiff was using its patent unlawfully to extend its purported monopoly. An order was entered by the lower court striking the defense. In dismissing the appeal Judge Clark said at page 814: "An order merely striking one of several defenses and allowing the action to continue for adjudication of the rest would seem as nearly interlocutory as any pleading rule can ever be; * * *" Other cases holding orders striking one of several defenses as nonappealable are: *United States Sugar Corp. v. Atlantic Coast Line R.R.*, 5 Cir., 196 F. 2d 1015; *U. S. v. Continental Oil Co.*, 2 Cir., 69 F. 2d 107; *Porter v. American Tobacco Co.*, S.D. N.Y., 7 F.R.D. 106, 38 A.L.R. 2d 377, 383-386.

Appellant cites two cases from other circuits which involved claims of patent infringement where the issues of invalidity and non-infringement were reserved and counterclaims of estoppel and constructive trusts were tried separately, appealed, and the Courts of Appeals took the cases. See *Lukens Steel Co. v. American Locomotive Co.*, 2 Cir., 197 F. 2d 939, and *National Waste Co. v. Spring Packing Corp.*, 7 Cir., 200 F. 2d 14, certiorari denied 345 U.S. 909, 73 S. Ct. 649, 97 L. Ed. 1344. Neither of those cases, nor the District Court opinion in the *Lukens case*, U.S.D.C. N.D. N.Y., 99 F. Supp. 442, mentions Rule 54(b) nor discusses jurisdiction of the appellate court. It would seem that the question was not raised, and certainly it was not ruled upon, so we do not deem those cases to be precedents for us to follow.

Appellant urges that the recent Supreme Court cases of Sears, Roebuck & Co. and Cold Metal Process Co., supra, uphold the appealability of this case. Close scrutiny of those cases, however, will indicate that in both instances there were clear separate claims for relief involved in the appeal. In the Sears, Roebuck & Co. case, the appealed claims in-

volved allegations of violation of the Sherman Anti-trust Act, while the unadjudicated claims retained by the trial court involved common-law charges of unfair competition and inducing breach of contract. In the Cold Metal Process Co., case, the appealed counterclaim had been filed some 15 years after the original action was instituted, and the Court states it was "ancillary" to the principal proceeding. It was an entirely independent counterclaim. Unlike the case at bar, in neither of those cases could the appellate court's decision on the limited issues before it settle the other undecided claim still pending in the District Court. In this action, however, if we were to hear this appeal, reverse the District Judge, and hold that Greenwood is estopped from bringing his action, that would be decisive of the entire litigation — which indicates that this "counterclaim" of estoppel is actually only a defense.

The history of Rule 54(b) is reviewed by Justice Burton in the Sears, Roebuck & Co. and Cold Metal Process Co. cases, supra, in which it is pointed out that the rule was originally promulgated to meet the need that arose in certain cases involving multiple claims for an appeal without waiting for a final decision on all the claims. The rule was interpreted as applying only where multiple claims were separable from others. It had been difficult for counsel in cases involving multiple claims to make a decision in each case as to whether a claim upon which a final judgment had been entered was a "separate" claim, and immediate appeals was therefore necessary in cases of doubt. If appeals were delayed until the time of final decision on all the multiple claims, the time for appeal might have elapsed. *Dickinson v. Petroleum Corp.*, 338 U.S. 507, 70 S. Ct. 322, 94 L. Ed. 299; 3 Barron and Holtzoff, Rules Ed., §1193, p. 12. The purpose of the 1948 amendment was to overcome that difficulty by making a specific direction of judgment on less than all claims by the District Court and its certification that there was no just reason for delay, a condition precedent to jurisdiction on the part of the Court of Appeals to review the judgments before a final decision as to all claims. Under such amendment many unnecessary appeals

are eliminated because a party adversely affected by a final decision knows that his time for appeal will not run until certification has been made. Judge Clark discusses the history of the rule and collects almost all cases decided with regard thereto in his opinion in *Rieser v. Baltimore and Ohio R. R. Co.*, 2 Cir., 224 F. 2d 198.

As thus interpreted by the courts Rule 54(b) is not applicable to the instant case. The same issue of estoppel which is raised by this counterclaim could have been asserted as a defense to the principal action, and under Rule 8(c) it must be pleaded affirmatively. There is really only one claim for relief here, and that is patent infringement. Regardless of what it is called in the pleadings, the element of estoppel, if it exists, is asserted as a matter of defense only.

Under Rule 54(b) appeal can be taken from a judgment on one of a number of claims if the judge gives the proper certificate; but the judgment must finally dispose of a claim and not merely adjudicate a defense to a claim. It is not necessary for us to decide whether there would be an adjudication on a claim within the meaning of the rule, if there remained in the case a claim for the assignment of the patent, because such claim is no longer made in the case, and the conduct upon which defendant relies is asserted merely as an estoppel against recovery by plaintiff. In other words, it is asserted as an affirmative defense to the relief asked by plaintiff; and it is as well settled as anything can be that Rule 54(b) does not authorize appeal from a judgment with respect to a mere affirmative defense.

It would doubtless be convenient to the parties for us to pass upon this affirmative defense in advance of the trial of the case, but it would establish a precedent which might be very harmful in the administration of justice. The rule of the statute forbidding fragmentary appeals is a wise and salutary one, not only from the standpoint of protecting the appellate courts from an unnecessary burden, but also from the standpoint of a proper administration of justice. The delays which have resulted from allowing interlocutory

appeals, in the states which permit them, have been a source of criticism; and every judge knows that an appellate court can handle a case much more understandingly after final disposition, than by piecemeal decisions in interlocutory orders.

For the reasons stated, the appeal should be dismissed as premature. Being without jurisdiction to entertain the appeal, we express no opinion whatever as to the merits of the defense of estoppel.

Appeal Dismissed.